Item 7. cont'd.

Regardless of whether a particular rate increase is subject to regulatory review, the Company's ability to raise rates will be determined by various factors, including economic and competitive circumstances in effect at the time.

Accounting Pronouncements

In December 1990, the Financial Accounting Standards Board issued a new statement of accounting standards related to insurance and other non-pension benefits provided to retirees (FAS No. 106). Prior to 1993, the Company accounted for these benefits as costs were incurred. Under the new standards, recognition of these costs is accelerated and accrued prior to retirement, similar to accounting for pension benefits. Implementation of the new standards was required in 1993. The Company elected to account for the accumulated post-retirement benefit obligation as of January 1, 1993, taking a charge of $23,166,000, net of income tax benefits.

In February 1992, the Financial Accounting Standards Board issued a new statement of accounting standards relating to current and deferred income taxes (FAS No. 109). The Company applied this new standard in 1993. The new standard will not have a significant impact on the Company's financial statements.

The Company presently gives accounting recognition to the actions of regulators where appropriate, as prescribed by FAS No. 71, "Accounting for the Effects of Certain Types of Regulations." Under FAS No. 71, the Company records certain assets and liabilities because of the actions of regulators. Amounts charged to operations for depreciation expense reflect estimated useful lives and methods prescribed by regulators rather than those that might otherwise apply to unregulated enterprises. In the event the Company determines that it no longer meets the criteria for following FAS No. 71, the accounting impact to the Company would be a one-time non-cash charge to operations of an amount which would be material to the consolidated financial statements. Criteria that give rise to the discontinuance of FAS No. 71 include increasing competition, which restricts the Company's ability to establish prices to recover specific costs, possible obsolescence driven by accelerating technology, and a significant change in the manner in which rates are set by regulators from cost-based regulation to another form of regulation. The Company periodically reviews these criteria to ensure that continuing application of FAS No. 71 is appropriate.

CWA Contracts

The Company and Local 7470 of the Communications Workers of America, AFL-CIO (CWA) reached agreement on a new three-year contract concerning wages and working conditions, effective in October 1992 which contract expires October 14, 1995. The new contract provides for wage increases of 11.2% over three years, increased pension benefits, changes in health and dental care programs and changes in certain job classifications which allow for increased work force flexibility. See "Business - Employees," page 4 herein.

Item 8. Financial Statements and Supplementary Data

See pages FS-1 through FS-2 herein.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None

Exhibit B

HELPING
PEOPLE
CONNECT

Lincoln Telecommunications
ANNUAL REPORT 1993

The following table summarizes the funded status of the pension plan at December 31, 1993, 1992 and 1991.

	1993	1992	1991
		(Dollars in thousands)	
Actuarial present value of pension benefit obligation:			
Vested	$ 97,040	89,485	86,701
Nonvested	14,108	12,174	11,453
Accumulated pension benefit obligation	$111,148	101,659	98,154
Projected pension benefit obligation	127,884	117,510	113,147
Less, plan assets at market value	185,197	165,563	155,398
Excess of plan assets over projected pension benefit obligation	57,313	48,053	42,251
Unrecognized prior service cost	5,924	2,705	2,901
Unrecognized net gain	(49,088)	(35,866)	(29,799)
Unrecognized net asset being recognized over 15.74 years	(12,520)	(13,953)	(15,385)
Prepaid (accrued) pension cost recognized in the consolidated balance sheets	$ 1,629	939	(32)

The assets of the pension plan are invested primarily in marketable equity and fixed income securities and U.S. Government obligations.

The assumptions used in determining the funded status information and pension expense for the three years were as follows:

	1993	1992	1991
Discount rate	7.10%	7.10	7.10
Rate of salary progression	6.00	6.25	6.25
Expected long-term rate of return on assets	8.00	8.00	8.00

In addition to the defined benefit pension plan, the Company has a defined contribution profit-sharing plan which covers nonunion eligible employees who have completed one year of service. Participants may elect to deposit a maximum of 15% of their wages up to certain limits. The Company matches 25% of the participants' contributions up to 5% of their wages. The profit-sharing plan also has a provision for an employee stock ownership fund, to which the Company has contributed an additional 1.75% of each eligible participant's wage. The Company's matching contributions and employee stock ownership fund contributions are used to acquire common stock of the Company purchased on the open market. The Company's combined contributions totaled $640,000, $601,000 and $561,000 for 1993, 1992 and 1991, respectively.

(9) Postretirement Benefits

The Company sponsors a health care plan that provides postretirement medical benefits and other benefits to employees who meet minimum age and service requirements upon retirement. Currently, substantially all of the Company's employees may become eligible for those benefits if they have 15 years of service with normal or early retirement. The cost of retiree health care, dental and life insurance benefits was recognized as an expense as premiums were paid in 1992 and 1991. For 1992 and 1991, such expense totaled $2,290,000 and $2,131,000, respectively.

The Company adopted Statement of Financial Accounting Standards No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*, as of January 1, 1993. The new standard requires accounting for these benefits during the active employment of the participants. The Company elected to record the accumulated benefit obligation upon adoption in the first quarter. After taxes, this one-time charge amounted to $23,166,000, net of income tax benefit of $15,258,000. Pursuant to Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation*, a regulatory asset associated with the recognition of the transition obligation was not recorded because of uncertainties as to the timing and extent of recovery given the Company's assessment of its long-term competitive environment.

The following table presents the plan's status reconciled with amounts recognized in the Company's consolidated balance sheet at December 31, 1993 (dollars in thousands):

Accumulated postretirement benefit obligation:	
Retirees	$ 29,851
Fully eligible active plan participants	10,202
Other active plan participants	7,328
	47,381
Plan assets at fair value	—
Unrecognized net loss	(7,054)
Accrued postretirement benefit cost recognized in consolidated balance sheets	$ 40,327

Net periodic postretirement benefit costs for the year ended December 31, 1993 include the following components (dollars in thousands):

Service cost	$ 300
Interest cost	3,632
Net periodic postretirement benefit costs	$ 3,932

For purposes of measuring the benefit obligation, a discount rate of 8.0% and an 11.7% annual rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) was assumed for 1993. This rate of increase was assumed to decrease gradually to 5.5% by the year 2004.

For purposes of measuring the benefit cost, a discount rate of 9.5% and a 12% annual rate of increase in the health care cost trend rate was assumed for 1993. This rate of increase was assumed to decrease gradually to 6.5% by the year 2002. The health care cost trend rate assumptions have a significant effect on the amounts reported. For example, a one percentage point increase in the assumed health care cost trend rate would increase the aggregate service and interest cost by approximately $350,000 and increase the accumulated postretirement benefit obligation by approximately $4,200,000.

(10) Stock and Incentive Plan

The Company has a stock and incentive plan which provides for the award of short-term incentives (payable in cash or restricted stock), stock options, stock appreciation rights or restricted stock to certain officers and key employees conditioned upon the Company's attaining certain performance goals.

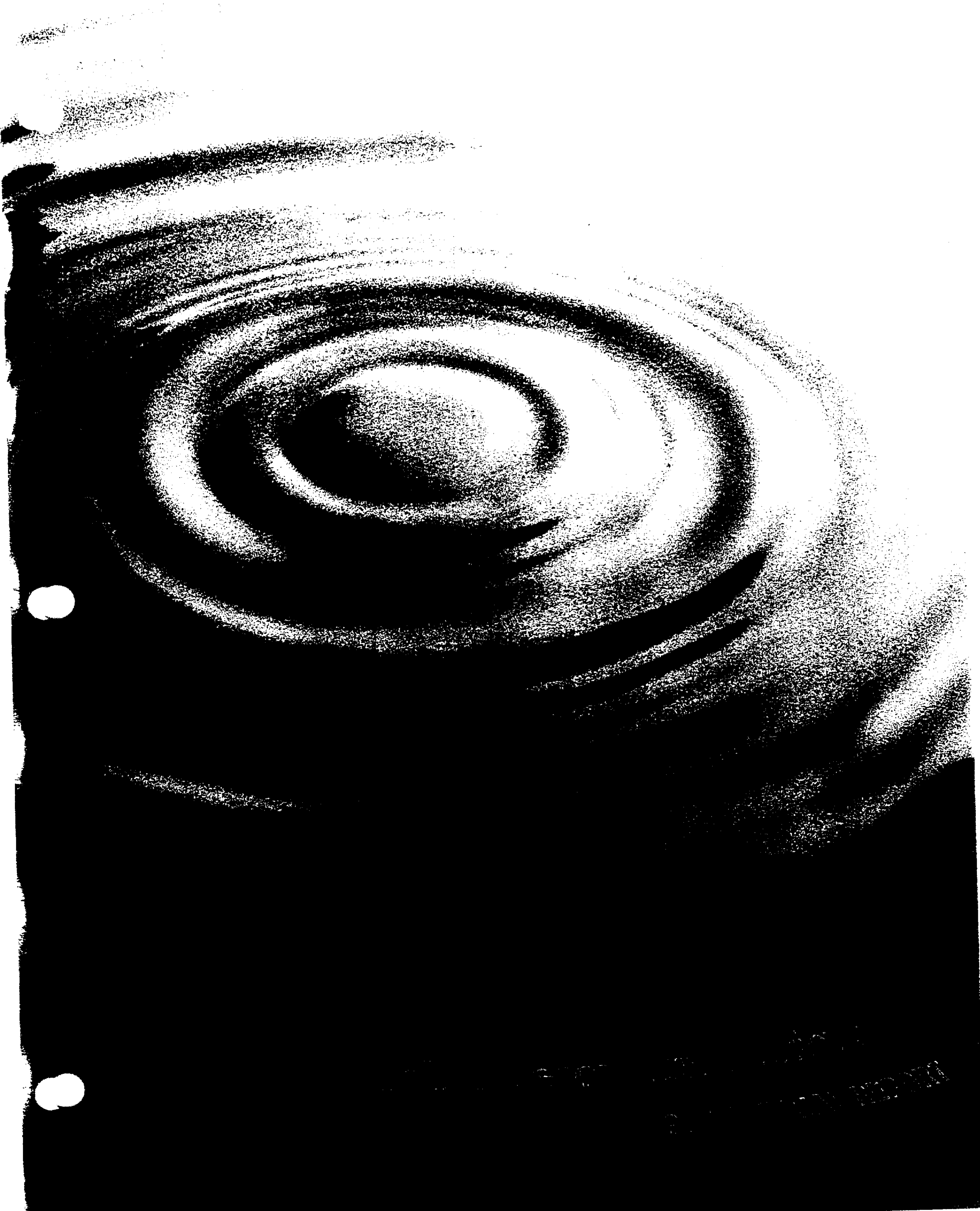
Under the plan, options may be granted for a term not to exceed ten years from date of grant. The option price is the fair market value of the shares on the date of grant. Such exercise price was $11.50 for the 1990 options and $12.75 for the 1992 options. The exercise price of a stock option may be paid in cash, shares of Company common stock or a combination of cash and shares.

Stock option activity under the Plan is summarized as follows:

	1993	1992	1991
Outstanding at January 1	176,000	88,000	88,000
Granted	—	88,000	—
Exercised	(65,350)	—	—
Cancelled	—	—	—
Outstanding at December 31	110,650	176,000	88,000
Exercisable at December 31	42,650	—	—

All of the above information has been retroactively adjusted to give effect to the 100% stock dividend.

The Plan also provides for the granting of stock appreciation rights (SARs) to holders of options, in lieu of stock options, upon lapse of stock options or independent of stock options. Such rights offer optionees the alternative of electing not to exercise the



(9) BENEFIT PLANS *continued*

The assets of the pension plan are invested primarily in marketable equity and fixed income securities and U.S. Government obligations.

The assumptions used in determining the funded status information and pension expense for the three years were as follows:

	1994 and 1993	1992
Discount rate	7.10%	7.10%
Rate of salary progression	6.00	6.25
Expected long-term rate of return on assets	8.00	8.00

In addition to the defined benefit pension plan, the Company has a defined contribution profit-sharing plan which covers non-union-eligible employees who have completed one year of service. Participants may elect to deposit a maximum of 15% of their wages up to certain limits. The Company matches 25% of the participants' contributions up to 5% of their wages. The profit-sharing plan also has a provision for an employee stock ownership fund, to which the Company has contributed an additional 1.75% of each eligible participant's wage. The Company's matching contributions and employee stock ownership fund contributions are used to acquire common stock of the Company. The Company's combined contributions totaled $679,000, $640,000 and $601,000 for 1994, 1993 and 1992, respectively.

(10) POSTRETIREMENT BENEFITS

The Company sponsors a health care plan that provides postretirement medical benefits and other benefits to employees who meet minimum age and service requirements upon retirement. Currently, substantially all of the Company's employees may become eligible for those benefits if they have 15 years of service with normal or early retirement. The cost of retiree health care, dental and life insurance benefits was recognized as an expense as premiums were paid for the year ended December 31, 1992. For 1992, such expense totaled $2,290,000.

The Company adopted FAS No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*, as of January 1, 1993. The new standard requires accounting for these benefits during the active employment of the participants. The Company elected to record the accumulated benefit obligation upon adoption. After taxes, this one-time charge amounted to $23,166,000, net of income tax benefit of $15,258,000. Pursuant to FAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, a regulatory asset associated with the recognition of the transition obligation was not recorded because of uncertainties as to the timing and extent of recovery given the Company's assessment of its long-term competitive environment.

The table on the following page presents the plan's status reconciled with amounts recognized in the Company's consolidated balance sheet at December 31, 1994 and 1993.

(10) POSTRETIREMENT BENEFITS *continued*

(Dollars in thousands)	1994	1993
Accumulated postretirement benefit obligation:		
Retirees	$ 30,872	29,851
Fully eligible active plan participants	11,994	10,202
Other active plan participants	7,622	7,328
	50,488	47,381
Plan assets at fair value	—	—
Unrecognized prior service cost	(170)	—
Unrecognized net loss	(8,001)	(7,054)
Accrued postretirement benefit cost recognized in consolidated balance sheets	$ **42,317**	**40,327**

Net periodic postretirement benefit costs for the years ended December 31, 1994 and 1993 include the following components:

(Dollars in thousands)	1994	1993
Service cost	$ 428	300
Interest cost	3,695	3,632
Net deferral and amortization	167	—
Net periodic postretirement benefit costs	$ **4,290**	**3,932**

For purposes of measuring the benefit obligation, the following assumptions were used:

	1994 and 1993
Discount rate	8.0%
Health care cost trend rate	11.7

This health care cost trend rate of increase was assumed to decrease gradually to 5.5% by the year 2004.

For purposes of measuring the benefit cost, the following assumptions were used:

	1994	1993
Discount rate	8.0%	9.5%
Health care cost trend rate	11.7	12.0

This health care cost trend rate of increase was assumed to decrease gradually to 5.5% by the year 2004. The health care cost trend rate assumptions have a significant effect on the amounts reported. For example, a one percentage point increase in the assumed health care cost trend rate would increase the aggregate service and interest cost by approximately $360,000 and increase the accumulated postretirement benefit obligation by approximately $4,400,000.

BUCK
CONSULTANTS
55 West Monroe Street Suite 1700
Chicago, Illinois 60603

January 8, 1993

Mr. Donald L. Piersol
Disbursement Accounting Manager
Lincoln Telephone and Telegraph Company
P.O. Box 81309
Lincoln, Nebraska 68501-1309

Dear Don:

Enclosed please find the results of our valuation of your post-retirement benefits program. The attached exhibits contain liabilities as of January 1, 1993 and cost amounts for 1993. These items were computed in accordance with Financial Accounting Standards Board (FASB) Statement No. 106 and assume adoption as of January 1, 1993.

LIABILITY AND COST MEASUREMENT

FASB No. 106 calculations begin with the measurement of the *Expected Post-retirement Benefit Obligation* (EPBO). This is the present value of the employer's share of costs for all future post-retirement benefits for current plan participants. The EPBO is an interim step in determining the more critical measure of obligation, the *Accumulated Post-retirement Benefit Obligation* (APBO). The APBO is the portion of the EPBO attributable to prior service. The apportionment of the EPBO into past, current and future service is determined by the attribution method. The attribution method required by the Statement results in full accrual of the liability by the date an employee attains full benefit eligibility.

The employer's annual expense—*the net periodic post-retirement benefit cost*—is defined analogously to the net periodic pension cost under FASB No. 87. As with the FASB pension cost, there are six components of the net periodic post-retirement benefit cost—service cost, interest cost, amortization of the transition obligation, return on plan assets, amortization of unrecognized prior service cost and gains or losses.

The service cost represents the portion of the EPBO attributable to the year. The interest cost is based on the APBO and the discount rate, adjusted for benefit payments. If the APBO at initial application (the transition obligation) is not recognized immediately, it would generally be amortized over 20 years. For a funded plan, the annual cost is reduced by the return on assets. A prior service cost amortization arises when there is an increase or decrease in the APBO because of a program amendment. As with pension expense calculations, amortization of gains and losses only occurs for amounts outside of a 10% of APBO corridor.

Buck Consultants, Inc.
312 332-2285 Fax 312 332-5245

SUBSTANTIVE PLAN

A key objective of FASB No. 106 is that the accounting reflect the substantive plan—that is, the terms of the agreement between employee and employer as those terms are mutually understood.

Plan provisions for retiree health care benefits are often continuously evolving. In many cases, the written plan only reflects the deductibles, coinsurance limits and contribution rates currently in effect. However, the substantive plan also would recognize the expected future changes in cost sharing and plan features where the employer has a history of periodic changes in this area.

Under the Statement, the substantive plan may include future cost sharing changes if one of two conditions exist —

- The employer has a past practice of updating cost sharing provisions in accordance with an established policy that defines the employer's share of total cost.

- The employer has communicated to plan participants its intent to modify the existing cost sharing provisions at a specified time or when certain conditions exist.

Coverage under the program is summarized in Exhibit III.

ASSUMPTIONS

FASB No. 106 requires the use of explicit assumptions to determine the various liability amounts. Each significant assumption should reflect the employer's best estimate of future plan experience. Many of the same types of assumptions used to measure pension obligations are needed in measuring post-retirement benefits, including demographic assumptions (e.g., rates of retirement) and economic assumptions (e.g., the discount rate).

Special assumptions are needed to measure certain post-retirement benefits. For example, calculations of retiree health care benefit obligations will require: initial per-capita claims cost, health care cost trend rates, participant election assumptions and coverage by family status.

The trend rates utilized reflect what we feel to be a reasonable pattern of future cost increases. The discount rate and the participation and dependency assumptions are consistent with the Statement's intent. The demographic assumptions (retirement, death, etc.) are the same as those used for pension plan calculations. The per capita medical costs are based on the claim and insurance premium information provided. The assumptions are summarized in Exhibit II.

SUMMARY OF RESULTS

In completing the calculations we employed the prescribed methodology and participant data as of January 1, 1992 (adjusted to January 1, 1993). The results are summarized in Exhibit I.

The total 1993 cost of $5,854,139 includes expected 1993 retiree cash payments of about $2,400,000. The 1993 expense increase because of the application of FASB No. 106 would thus be on the order of $3,450,000. The amortization charge component of the 1993 periodic cost was computed recognizing the prior expense accrual of $1,317,000.

As you know, the option is available to fully recognize the APBO at transition. Under this approach, a one-time charge of $38,449,700 ($39,766,700 - $1,317,000) for both medical and death benefits would be taken. The 1993 annual expense would then drop to $3,931,653.

Please let me know when we can discuss this further.

Sincerely,

Bernie

Bernard E. Hartt, F.S.A.
Consulting Actuary

BEH:mta
PSZ\T:0424\5450T.G06
Enc.

LINCOLN TELEPHONE COMPANY

EXHIBIT I

POST-RETIREMENT BENEFITS VALUATION

SUMMARY OF RESULTS FOR 1993

Item	Lincoln Telephone	LinTel Systems	Lincoln Telecom	Total
Accumulated Post-Retirement Benefit Obligation (as of 1/1/93)				
Active employees - fully eligible	$ 8,356,981	$ 126,109	$ 300,919	$ 8,784,009
Active employees - not yet eligible	4,913,912	77,054	108,802	5,099,768
Retirees	25,882,923	0	0	25,882,923
Total Obligation	$ 39,153,816	$ 203,163	$ 409,721	$ 39,776,700
Net Periodic Post-Retirement Benefit Cost (as of 12/31/93)				
Service Cost	$ 283,753	$ 7,125	$ 8,903	$ 299,781
Interest Cost	3,573,649	19,300	38,923	3,631,872
Amortization	1,891,842	10,158	20,486	1,922,486
Total Cost	$ 5,749,244	$ 36,583	$ 68,312	$ 5,854,139

January 8, 1993

LINCOLN TELEPHONE COMPANY

EXHIBIT I

(Continued)

POST-RETIREMENT BENEFITS VALUATION

ACCUMULATED POST-RETIREMENT BENEFIT OBLIGATION AS OF JANUARY 1, 1993

Category	Lincoln Telephone	LinTel Systems	Lincoln Telecom	Total
Active Members:				
1) Medical/Dental	$ 8,225,932	$ 113,886	$ 212,211	$ 8,552,029
2) Part B Refund	911,810	13,427	24,607	949,844
3) Group Life	2,579,751	50,008	83,208	2,712,967
4) Survivor Benefit	1,553,400	25,842	89,695	1,668,937
5) Total Active	$ 13,270,893	$ 203,163	$ 409,721	$ 13,883,777
Retired Members:				
1) Medical/Dental	$ 15,548,924	$ 0	$ 0	$ 15,548,924
2) Part B Refund	2,075,438	0	0	2,075,438
3) Group Life	6,480,431	0	0	6,480,431
4) Survivor Benefit	1,778,130	0	0	1,778,130
5) Total Retired	$ 25,882,923	$ 0	$ 0	$ 25,882,923
Total Active and Retired	$ 39,153,816	$ 203,163	$ 409,721	$ 39,766,700

LINCOLN TELEPHONE COMPANY

EXHIBIT I

(Continued)

POST-RETIREMENT BENEFITS VALUATION

SUMMARY OF CURRENT PARTICIPATION

Benefit Program	Number of Members	
	Active	Retired
1) Medical/Dental	1,608	532
2) Medicare Part B Reimbursement	1,608	532
3) Survivor Benefit	1,608	532
4) Life Insurance		
a) Option A	349	60
b) Option B	823	466
c) Option C	230	6
d) Total	1,402	532

LINCOLN TELEPHONE COMPANY

EXHIBIT II

POST-RETIREMENT BENEFITS VALUATION

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate: 9.5% per annum.

Salary Increase: 4% per annum.

Separation Before Retirement:

Age	Annual Rates of		
	Withdrawal	Death	
		Male	Female
25	.035	.0007	.0004
30	.020	.0007	.0006
35	.011	.0010	.0008
40	.007	.0020	.0013
45	.005	.0034	.0021
50	.005	.0062	.0031
55	.005	.0112	.0042
60	--	.0170	.0063
62	--	.0194	.0077

Normal and Early Retirement:

Age	Annual Rate	
	Male	Female
55	.07	.08
56	.05	.05
57	.05	.07
58	.06	.08
59	.06	.10
60	.06	.12
61	.08	.20
62	.30	.40
63	.20	.30
64	.20	.30
65	1.00	1.00

LINCOLN TELEPHONE COMPANY

EXHIBIT II
(Continued)

POST-RETIREMENT BENEFITS VALUATION

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

Death After Retirement: George B. Buck 1979 Male and Female Mortality Tables.

Valuation Method: Projected unit credit method with benefits attributed ratably from date of hire to the first eligibility date.

Medicare Part B Premium Increase: 4.5% per annum.

Annual Health Care Cost Increase:

Year	Under 65	Over 65
1994	13.0%	11.5%
1995	12.0%	12.5%
1996	11.5%	12.0%
1997	11.0%	11.0%
1998	10.0%	10.0%
1999	9.0%	9.0%
2000	8.0%	8.0%
2001	7.0%	7.0%
2002+	6.5%	6.5%

Per Capita Retiree Monthly Health Care Costs for 1993:

Category	Medical	Dental	Medicare Part B
Under age 65	$ 204.57	$ 9.18	$ 0.00
Age 65 and over	$ 108.44	$ 9.18	$ 36.60

Participation: 90% of eligible future retirees will elect coverage.

Spouse Benefits: 25% of future retirees will elect spouse coverage.

LINCOLN TELEPHONE COMPANY

EXHIBIT III

RETIREE BENEFITS

PROVISION	DESCRIPTION
ELIGIBILITY	Employees retiring directly from the Company with 15 years of service; dependent coverage ceases at employees' death.
HEALTH CARE	Active employee plan.
COB	With Medicare
MEDICARE PART B	Employee premium reimbursed (frozen in 1995 for post 10/15/95 retirement)
DENTAL BENEFITS	Active plan, without dependent orthodontia
DEATH BENEFITS	Active group life and survivor benefit plans
RETIREE CONTRIBUTIONS	Medical/dental (retirements prior to 10/15/95) - none for employee, 10% of spouse dental cost. Medical/dental (retirements 10/15/95 and later) - excess over Company cost as of 10/15/95. Life Insurance - \$.35/mo., \$.35/mo. per \$1,000 or \$.50/mo. per \$1,000 of coverage over \$2,000.

January 8, 1993

[redacted]

FASB 106 Exogenous Change

(EXG-OPEBS)

		Annual	Quarterly	Non-reg	Capitalized	Quarterly Adjustment
	Transition Benefit Obligation (TBO) for Retirees Only as of 1/1/93	25,882,923				
	Prior Accrued Amount	870,613				
	TBO for Retirees to be Amortized (line 1 - line 2)	25,012,310				
	Annual Amortization (line 3 / 20)	1,250,616				
.	Annual Interest related to TBO	2,376,169				
.	Current Pay As You Go Amount	2,696,306				
.	Annual Expense Change related to TBO for Retirees Only (line 4 + line 5 - line 6)	930,479				
.	Godwins Adjustment (to reflect change included in GNP-PI price cap element)	84.80%				
.	Adjustment for 2 Quarters (line 7 X line 8)	789,046	197,262	11,836	18,543	166,883
0.	FASB 106 Change Reflected in Current Rates	171,699				
1.	Adjustment for 2 Quarters (line 7 - line 10)	758,780	189,695	11,382	17,831	160,482

Exhibit E

ALLOCATION OF
TRANSITION BENEFIT OBIGATION FOR RETIREES

1992 BASE STUDIES

Account	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
6112	1,074	444	(83)	196
6116	410	(40)	(124)	10
6121	7,275	7,534	7,052	7,373
6122	7	20	16	3
6123	1,571	1,352	1,446	1,798
6124	4,496	4,825	4,698	4,394
6211	903	414	339	112
6212	19,158	19,847	18,894	19,856
6215	483	535	576	177
6220	55	20	16	33
6231	1,139	1,124	1,130	1,232
6232	4,192	4,198	4,071	3,655
6351	1,446	1,598	1,705	1,613
6362	206	201	277	206
6411	1,391	517	261	528
6412	0	0	0	0
6421	11,336	9,877	9,241	9,720
6422	1,159	731	653	629
6423	11,559	14,258	13,580	12,445
6426	50	1	29	1
6431	4	0	2	5
6441	65	30	40	30
6511	0	0	0	0
6512	1,904	1,020	136	(2,239)
6531	0	0	0	0
6532	2,505	2,598	2,418	2,443
6533	7,846	8,084	8,179	8,622
6534	1,916	2,101	1,934	1,991
6535	7,823	7,943	7,776	7,603
6611	2,948	2,208	2,646	2,863
6612	1,372	1,043	1,011	903
6613	131	164	165	165
6621	8,764	10,377	10,005	10,296
6622	7,924	8,253	8,236	7,947
6623	32,002	32,858	32,352	32,150
6711	2,934	3,123	2,997	3,025
6712	231	236	203	202
6721	5,367	5,768	5,876	5,789
6722	1,765	1,980	1,977	1,919
6723	2,979	2,403	2,674	2,593
6724	3,691	3,986	4,265	4,324
6716	1,413	1,226	903	1,216
6727	500	591	531	521
6728	4,889	3,435	2,379	4,133
Total	166,883	166,883	160,482	160,482

- *Health Care Programs*
  The Lincoln Telephone and Telegraph Company
  c/o Personnel Director
  1620 "M" Street
  P. O. Box 81309
  Lincoln, Nebraska 68501
  Telephone: 402-474-2211

- *Dental Care Program*
  The Lincoln Telephone and Telegraph Company
  c/o Personnel Director
  1620 "M" Street
  P. O. Box 81309
  Lincoln, Nebraska 68501
  Telephone: 402-474-2211

- *Flex-Choice Plan*
  Lincoln Telecommunications Company
  c/o Personnel Director
  1620 "M" Street
  P.O. Box 81309
  Lincoln, Nebraska 68501
  Telephone: 402-474-2211

- *Group Life Insurance Plan*
  The Lincoln Telephone and Telegraph Company
  c/o Personnel Director
  1620 "M" Street
  P. O. Box 81309
  Lincoln, Nebraska 68501
  Telephone: 402-474-2211

- *Disability and Death Benefits Plan*
  Employees' Disability and Death Benefits Committee
  c/o Secretary of the Committee
  The Lincoln Telephone and Telegraph Company
  1440 "M" Street
  P. O. Box 81309
  Lincoln, Nebraska 68501
  Telephone: 402-474-2211

Highlights Of Your Retirement Benefits

The purpose of your retirement benefits is to provide you with a dependable income that begins at retirement and continues for the rest of your life.

When you retire, you may receive benefits from the following sources:

- Pension Plan
- 401(k) Savings and Stock Ownership Plan
- Health Care Programs
- Dental Care Program
- Group Life Program
- Social Security

Your *Pension Plan* may provide a significant measure of security for you and your family during retirement. The Plan has been carefully designed to provide you with income that--together with Social Security and your own personal savings--will help you enjoy your retirement years.

The Plan provides you with:

- *A Guaranteed Income*
  You will receive lifelong benefits, beginning at the time of your retirement. These benefits will continue for as long as you live. And, when you die, payments may continue to your spouse, or parent, depending upon the form of payment you select.

- *Benefits At No Cost To You*
  The entire cost of your Pension Plan is paid by the Company. No contributions are deducted from your pay.

- *Benefits In Addition To Social Security*
  Although the Company contributes 50% of the cost of your Social Security coverage, Pension Plan benefits are provided in addition to any benefits you may receive from Social Security.

Retirement Benefits From Other Plans

Health Care Programs

When you retire, your Health Care coverage may be continued if you have at least 15 years of Net Credited Service before your Normal Retirement Date. Your share of the cost, if any, will be deducted from your monthly pension.

For more information, refer to the *HEALTH CARE* section of this Handbook.

Dental Care Program

When you retire, your Dental Care Program may be continued (excluding orthodontia benefits for your eligible dependents if you are a pensioner over age 65) if you have at least 15 years of Net Credited Service before your Normal Retirement Date. Your share of the cost, if any, will be deducted from your monthly pension.

For more information, refer to the *HEALTH CARE* section of this Handbook.

Medicare

When you reach age 65, you will be eligible for certain benefits under Medicare.

When you first become eligible, you should request information from your local Social Security office regarding Medicare benefits available at the time.

For more information about your Medical coverage, refer to the *HEALTH CARE* section of this Handbook.

Other Health Benefits

If you are living within the Company's operating territory when you retire, you will continue to be eligible to purchase vitamins, receive annual anti-influenza inoculations and blood pressure testing.

Other Retirement Considerations

In addition to the benefits discussed earlier in this section which are designed to help your family's economic security during retirement, the following are provided to all eligible pensioners:

- *Credit Union Membership*
  If you are a member of the Lincoln Telephone Employees Credit Union, you may continue to belong to the Credit Union during your retirement years. For more information, please contact the Credit Union office.

- *Pioneer Membership*
  If you are a member of the Frank H. Woods Telephone Pioneer Association at the time of your retirement from the Company, the Company will pay your annual local chapter dues provided you have paid Pioneer dues for five years or from the time you were eligible if less than five years. This organization is open to all persons who have at least 15 years of service in the communications industry.

- *Company Publications*
  You will continue to receive your copy of *The Lincoln Telecommunications Co.* magazine upon retirement. The *Casual Observer* will also be mailed to you at home.

Also, if you retire with a Disability Pension, Early Retirement benefit, or Normal Retirement benefit, the following will be available to you, provided you have at least 15 years of Net Credited Service before your Normal Retirement Date:

- *Group Life Insurance Plan*
  Your Group Life Insurance may continue during your retirement. You will pay for your share of the cost through deduction from your monthly pension. For more information, refer to the *SURVIVOR* section of this Handbook.

- *Disability and Death Benefits Plan*
  Upon your death after retirement, your survivors may be eligible to receive benefits from the Disability and Death Benefits Plan. This benefit is described in detail in the *SURVIVOR* section of this Handbook.